HOUSE FILE 2330
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 637)

(As Amended and Passed by the House February 23, 2022)

[= New Language by the House

* = Language Stricken by the House

A BILL FOR

An Act relating to electronic delivery of certain insurance notices and documents.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 505B.1, Code 2022, is amended by adding the following new [subsection]:

NEW SUBSECTION. 11A. *a.* For purposes of this subsection:

(1) *"Covered employee"* or *"employee"* means an individual participating in a group health plan [who is entitled to notices and documents] and who is an employee of the sponsor or policyholder of the group health plan.

(2) *"Covered person"* or *"person"* means an individual participating in a group health plan [who is entitled to notices and documents].

(3) *"Smart device"* means an electronic device that combines a cell phone with a hand-held computer and that offers internet access, and text or electronic mail capabilities.

b. Notwithstanding any provision of this section to the contrary, a sponsor or policyholder of a group health plan may consent to notices and documents delivered by electronic means, unless there is a federal requirement for a specific mode of delivery, on behalf of the sponsor or policyholder's covered employees and covered persons. For such consent to be effective, the sponsor or policyholder shall do all of the following:

(1) (a) Assign each covered employee [for whom consent is being given] an electronic mail address for employment-related purposes at which the employee may receive or access [notifications regarding posted] notices and documents delivered by electronic means, or require each employee [for whom consent is being given] to provide the sponsor or policyholder with an electronic mail address or a smart device number at which the employee may receive or access [notifications regarding posted] notices and documents delivered by electronic means.

(b) Require each covered [person, or a covered employee on behalf of a covered person,] to provide the sponsor or policyholder with an electronic mail address or a smart device number at which the person may receive or access [notifications regarding] notices and documents delivered by electronic means.

(2) Prior to delivery by electronic means of notices and documents to covered employees and covered persons, the sponsor or policyholder shall provide a notification in paper form to each employee and each person [for whom consent is being given] that does all of the following:

(a) Notifies the employee or person that notices and documents for the group health plan will be posted to an internet site to which the employee or person will have * [reasonable access.]

(b) Confirms the electronic mail address or smart device number to which [notifications regarding] notices and documents will be delivered by electronic means to the employee or person.

(c) Provides instructions for accessing notices or documents [on the internet site described in subparagraph (2), subparagraph division (a)].

(d) Provides the time period during which a specific type of notice or document delivered by electronic means will remain accessible.

(e) Advises the employee or person that a paper form of a notice or document may be requested and will be provided free of charge, and the process to request a paper form.

(f) Advises the employee or person of the right to opt out of delivery by electronic means and the process to exercise that right.

* [(3) Provides notice to each impacted covered employee and each impacted] covered person each time a notice or document is posted on the internet site described in subparagraph (2), subparagraph division (a). The notice may be delivered by electronic means [to the covered employee's or covered person's electronic mail address or smart device number] and shall include all of the following:

(a) A prominent statement that important information regarding the group health plan has been posted on the internet site.

(b) The name of, or a description of, the notice or document.

(c) The internet site address or the hyperlink at which the notice or document may be accessed.

(d) A statement of the recipient's right to request the notice or document in paper form, free of charge, and the process to exercise that right.

(e) A statement of the recipient's right to opt out of delivery by electronic means and to receive documents in paper form free of charge.

(f) The time period during which the notice or document will remain accessible on the internet site.

(g) A telephone number for the insurer or the group health plan administrator.